



**Minnesota Women Lawyers Foundation
Planned Giving: Policy on Accepting and Counting Gifts
Approved June 20, 2017**

PURPOSE OF POLICY

Minnesota Women Lawyers Foundation (Foundation) adheres to the values of accountability, consistency and transparency in our fundraising program, and toward this end, we have adopted the policies described below for accepting and counting gifts made to the Foundation. These policies are intended to guide us so that we:

- Acknowledge all donors' gifts fairly.
- Ensure the highest level of donor stewardship.
- Provide standards that can be applied consistently and impartially.
- Ensure that gifts accepted are consistent with the Foundation's policies, values and mission and are reported in compliance with federal and state laws. The Foundation is not obligated to accept all gifts that are offered.
- Provide donors, Minnesota Women Lawyers (MWL) members, the Board of Directors of the Foundation, and staff with an accurate picture of the results of the Foundation's fundraising efforts, including during campaigns.

In the field of philanthropy and fundraising, there are no absolute standards for counting and accepting gifts but rather respected guidelines used by the leading foundations and charitable organizations. These include the Council for Advancement and Support of Education (CASE), which published "CASE Reporting Standards & Management Guidelines for Educational Fund Raising" in 2009, and the National Association of Charitable Gift Planners. These publications have been considered and incorporated into the gift acceptance and counting policies for Minnesota Women Lawyers Foundation.

In addition, the Foundation is responsible for using U.S. Generally Accepted Accounting Principles (GAAP) in the financial reporting of all gifts to the Foundation.

BASIC PRINCIPLES

1. Only genuine gifts will be counted. The following are examples of what will NOT be counted as gifts:
 - a. Investment earnings on gifts or trusts held by Minnesota Women Lawyers Foundation
 - b. Government funds, grants, whether local, state or federal
 - c. Corporate sponsorships where promotional or other benefits are received in return
2. Gifts will be counted in only one comprehensive campaign, and only those gifts and pledges actually made or committed during the course of the campaign will be counted in the campaign results.

3. Gifts will be counted according to these policies unless they are not covered or an unusual circumstance requires that a particular gift be counted in a unique way. In these instances, the executive officers of the Foundation Board of Directors will review the circumstances and make a decision on counting and reporting the gift. The executive officers of the Board of Directors must approve all gifts of real estate as well as other unique non-cash gifts of property such as artwork.
4. Documentation will be required for official counting of all major gifts, defined as those at \$25,000 or more in value. Documentation could include a letter or agreement from the donor or a signed pledge agreement that stipulates the gift amount, purpose and payment period.
5. Overall fundraising results will be provided to the Foundation Board, MWL Board of Directors, and the Foundation's benefactors on an annual basis.

GIFT ACCEPTANCE AND COUNTING

The Foundation may accept gifts in the following forms. The valuation of these gifts will be confirmed using the following standards:

Outright Gifts

1. **Cash and checks** are recorded as of the date they are received in the Foundation's bank account at XXXXXXXX, or the date they are hand-delivered to MWL Offices. Gifts made online or by phone via credit or debit cards will be recorded as cash on the date they are processed by the Foundation.
2. **Securities** that are publicly traded will be accepted and valued at the mean market value on the date the donor relinquishes control of the asset to the Foundation.
 - a. Gifts of closely held stock which are negotiable and which exceed \$10,000 in value will be credited at the fair market value as determined by a qualified independent appraiser.
 - b. Gifts of closely held stock of less than \$10,000 in value will be counted at the value of the most recent per-share cash purchase price as evidenced by the written confirmation of the issuer.
 - c. The Foundation shall not be obligated to assume the costs of obtaining an independent appraisal or written confirmation of value.
 - d. The general practice of the Foundation is to convert donated assets to cash as quickly as is practical. At their discretion, the Foundation officers or directors may elect to defer the conversion of donated assets to cash, if prudent and appropriate.
3. Other **gifts of intangible property** for which donors qualify for an IRS charitable gift deduction will be accepted and counted toward fundraising goals under the following guidelines:
 - a. The value of the gift is determined by a current appraisal of fair market value for gifts valued at \$5,000 or more. Gifts of under \$5,000 may be reported at the value stated by the donor.
 - b. The donor assumes the responsibility and costs for providing a qualified appraisal.

- c. Only those gifts-in-kind that can be converted to cash, or items such as books and equipment that can be used in support of learning, shall be reported and counted toward the campaign.
4. The officers or directors of the Foundation may approve **gifts of real property**, if the following conditions are met:
 - a. A current appraisal of fair market value is provided
 - b. A recent environmental assessment, if appropriate, has been conducted on the property and a copy has been provided to the Foundation
 - c. There are no restrictions on the sale, use, maintenance, or administration of the property
 - d. The donor provides the Foundation with insurable title to the property as evidenced by a title commitment or by a title policy insurance for the benefit of MWL
 - e. The Foundation is not be obligated to assume the costs of obtaining an independent appraisal, and if appropriate, an environmental assessment.

Gifts of real property will be counted as received on the date the donor transfers title of the asset to the Foundation. The Foundation is not obligated to assume responsibility for costs associated with the above transactions.

5. **Realized bequests** will be counted at the fair market value on the date they are received, if not previously counted.

Deferred and Partially Deferred Gifts

Deferred gifts may be accepted under the following conditions, and they will be valued and counted on the date the donor signs the appropriate letter of intent or other gift document.

1. **All Bequest commitments**, regardless of the age of the donor, will be counted at face value toward fundraising goals. They will not be recorded as received until they mature. For purposes of recognition, all donors making bequest commitments to the Foundation will be included in the Legacy Society and recognized for their commitments.
 - a. Revocable deferred gifts are those solicited and committed during the reporting period, but for which the donor retains the right to change the commitment and/or beneficiary. These include estate provisions, charitable remainder trusts, IRAs, and certain forms of life insurance.
 - b. Irrevocable deferred gifts are committed during the reporting period, but are usable by the organization at some point after the end of the period. These include irrevocable testamentary pledges and lead trusts.

For clarity and transparency in reporting gifts and gift commitments during fundraising campaigns, results will include a breakout of revocable and irrevocable deferred gifts as well as outright gifts and pledges.

2. **Life insurance**, including both paid-up and new agreements, in which Minnesota Women Lawyers Foundation is both owner and irrevocable beneficiary, will be accepted and counted as follows:
 - a. Only “universal” and “whole-life” type insurance instruments will be counted toward campaign goals. They will be valued at the surrender value, not the face value of the

policy, unless the policy is fully endowed. If fully endowed, the policy will be valued at face value.

- b. All transferred policies will be counted in the same manner as bequest commitments. Requests for the Foundation to assume liability for future premiums (in order to maintain the policy instead of surrendering it for the immediate value) will be evaluated by the MWL Executive Director who will make a recommendation to the Foundation Board of Directors for their final decision.
 - c. For realized death benefits, the difference between prior credit or previously credited premiums and the insurance company's settlement will be counted toward the gift totals.
3. **Individual retirement accounts or qualified plans.** When the Foundation is a confirmed beneficiary of an IRA or qualified plan, this will be counted in the same manner as bequests. Such expectancies must be in the form of a specified amount or a percentage of the donor's relevant asset pool at the time the commitment is made, and they must be documented in a manner comparable to pledges. The execution by the donor of a letter of intent is the preferred method of confirming the donor's commitment.
 4. **Living endowments** are created when a donor sets aside at least \$25,000 in a deferred gift and commits a minimum of \$1,250 outright each year for a minimum of 10 years for scholarships, or other eligible purpose. Upon realization of the deferred gift, the endowment becomes permanently funded and is distributed according to the endowment policy. For counting purposes, the portion of the living endowment that is deferred will be counted in the same manner as bequests. The portion of the living endowment that is paid outright will be counted as cash or pledge.

Other plans for deferred gifts will be considered and, if accepted by the Foundation Board of Directors, counted toward gift totals as provided in this policy.

Valuing Pledges and Pledge Payments

1. Qualified pledges shall be counted at their face value on the date the donor signs the proper documentation. When required, the value will be determined by current IRS appraisal guidelines.
2. A qualified pledge is one that most often will be scheduled for payment within five years following the receipt of the documented pledge and up to 10 years with the approval of the Foundation Board of Directors.
3. Qualified pledges will be those that are fully documented with the signature of the donor, description of the asset, qualified valuation of the asset, and a timeline for payment of the pledge.

Crediting Gifts

1. A personal gift commitment is defined as a gift commitment from an individual or individual's family or a gift commitment made through the vehicle of the individual's personal or family foundation, or through a business entity controlled by the individual or family.
2. Gifts from corporations not owned by an individual but obtained by an individual are not credited to that individual.

3. Gifts given in honor or recognition of an individual are credited to the donor and not to the individual being honored. The individual being honored will receive notice of the honorarium.
4. Corporate gifts over which the individual may have only allocation discretion – such as corporate matching gifts -- are credited to the corporation, not the individual. However, matching gifts will be applied toward the purpose of the gift which triggered the match.
5. The Foundation will follow established law and taxation policies regarding the use of charitable foundation assets to satisfy a personal pledge.

Scholarship Gifts: Donor-Restricted Endowed Scholarships

When creating an endowed scholarship, donors may provide preferred criteria for the award. Generally, donors are not involved in the selection of the scholarship recipient. However, if the donor wishes to participate, he or she may make such a request to the Foundation Board of Directors, and the decision will be made by the Board on a case by case basis.

Gifts from Donor Advised Funds

By law, an individual may not pay a pledge or make a gift through a donor advised fund (DAF). Instead, the donor may recommend that the DAF make a specific contribution to a specified charity. Should an individual wish to make a multi-year recommendation to a DAF to make a gift to the Foundation, the individual may sign a letter of intent to that effect. Donors should be aware that gift receipts for DAF gifts and crediting for taxation purposes will be issued to the DAF and not to the advising individual.

Gift Restrictions

Donors may direct their contributions for specific purposes that meet the policies, values, mission, and priorities of Minnesota Women Lawyers Foundation. New gifts may be designated to existing funds but they must conform to the requirements of that existing fund and may not alter the fund's requirements unless the Foundation and previous donors to the fund agree in writing to change the requirements.

New restricted gifts will be formally accepted when a gift agreement and/or endowment description has been signed by the donor and Minnesota Women Lawyers Foundation. The language used in creating gift agreements should leave sufficient flexibility for the Foundation to apply the gift to some other purpose should the designated purpose cease to exist or no longer be feasible. The donor may also choose to create a quasi-endowment, whereby the Foundation Board of Directors is given discretion by the donor to determine at any time whether the corpus of the gift will be spent or will remain in the board-designated endowment.

Gift Documentation

Letters of intent, instruments of transfer, and pledge forms will be used to identify the gift arrangement and asset being given, its intended use, applicable pledge payment schedules, and the name of the donor. Such forms can be highly personalized to accommodate particular gift arrangements and can be used to reassure the donor that his or her objectives and circumstances will be honored.

All gift documentation must be in writing, dated and signed by the donor and the Foundation. Gifts may not be publicly acknowledged until documentation is complete.

Both permanently endowed funds and quasi-endowed funds require a signed agreement to complete the gift. MWL Foundation's Executive Director will approve and sign all agreements on behalf of the Foundation. In addition, the agreements must also be signed by either the president or treasurer of the Foundation.

Write Offs

The Foundation may communicate with donors whose pledges are not paid according to their signed pledge agreements. If pledges remain unfulfilled, the Foundation will write off these pledges and void donor obligations under the following conditions:

- Unpaid annual fund pledges will be written off 12 months after the end of the fiscal year in which the pledge was made.
- Unpaid matching gift pledges will be written off one year after the original gift to be matched is made.
- Unpaid major gift pledges will be written off after consultation with the donor and after determining that the original pledge cannot be fulfilled. After consultation with the donor, a new schedule for payment of a past pledge may be an option.

CAMPAIGN PERIOD

The campaign period will be the total period of solicitation as established by the Foundation Board of Directors, including the preparation phase, quiet phase and the public phase.

RESPONSIBLE DEPARTMENTS

In accordance with this policy, MWL Foundation Executive Director shall have responsibility for accepting and counting gifts to the Foundation. The Foundation Board of Directors, with the collaboration of the MWL Board of Directors [or MWL Executive Director] shall also ensure that gifts are used by the Foundation in accordance with donors' wishes. The Foundation Board of Directors shall manage ongoing communication with donors regarding the investment performance and use of donor gifts. MWL Foundation Executive Director shall be responsible for using GAAP in financial reporting of all gifts to the Foundation.